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1947 OUTLOOK ISSUE

THE *Livestock and Wool* SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

LWS - 49

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SEPTEMBER 1946

PRICES RECEIVED BY FARMERS FOR MEAT ANIMALS
UNITED STATES, 1910-46
INDEX NUMBERS (AUG. 1909-JULY 1914=100)



U. S. DEPARTMENT OF AGRICULTURE

NEG 46152 BUREAU OF AGRICULTURAL ECONOMICS

Recently established ceilings would permit meat animal prices to average around 10 percent higher in the first half of 1947 than in the first half of 1946, but lower than in July and August when ceilings were temporarily removed.

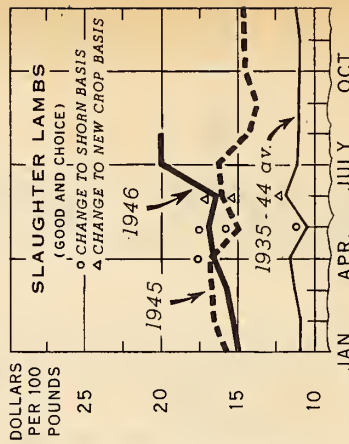
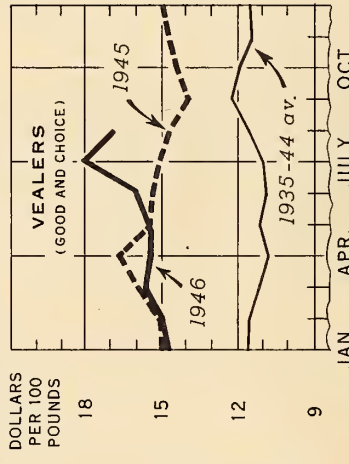
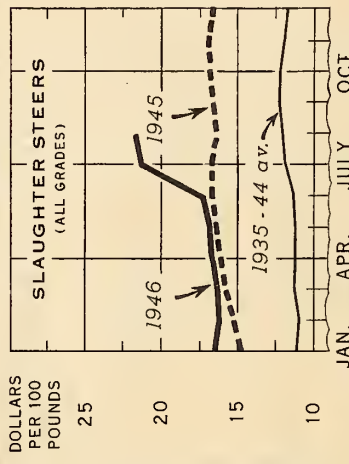
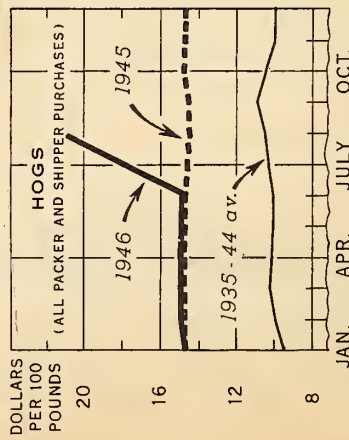
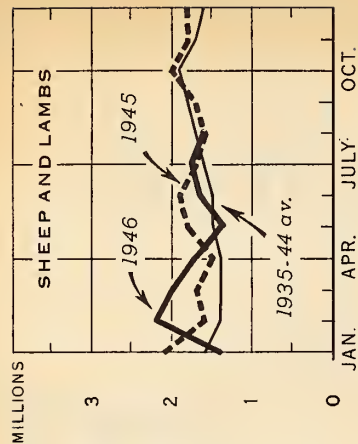
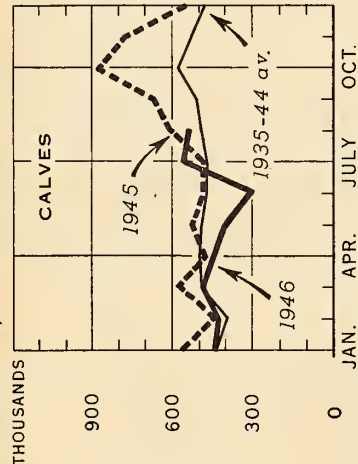
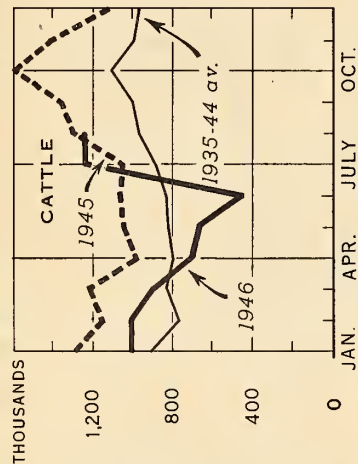
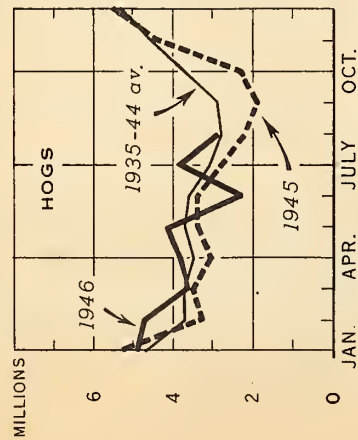
Demand for meat will continue unusually strong through early 1947, as record high consumer incomes are in prospect. Some decline in demand may occur in the fourth quarter next year when meat production will be increasing seasonally.

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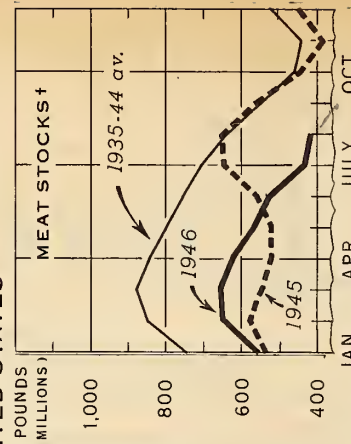
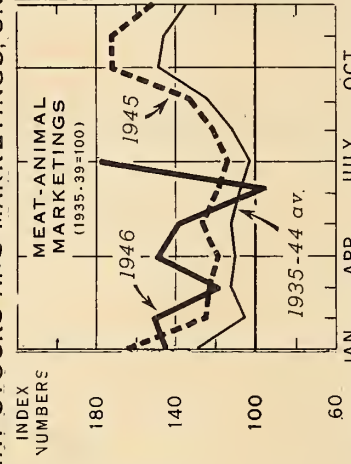
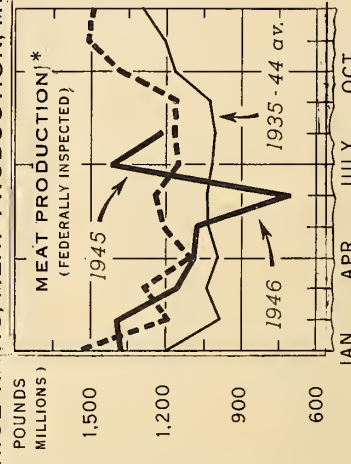
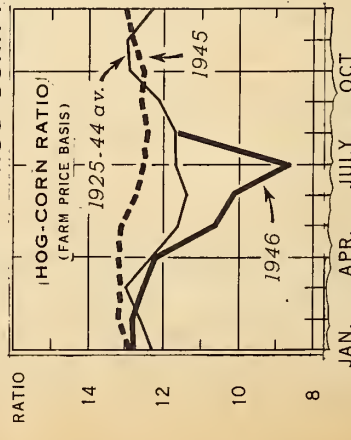
Sept.

LIVESTOCK SLAUGHTER, PRICES AND MARKETINGS, MEAT PRODUCTION AND STOCKS, AND HOG-CORN PRICE RATIO

FEDERALLY INSPECTED SLAUGHTER, UNITED STATES *



MARKET PRICES AT CHICAGO



HOG-CORN PRICE RATIO, MEAT PRODUCTION, MEAT STOCKS AND MARKETINGS, UNITED STATES

* INCLUDES SLAUGHTER IN "FULMER" PLANTS SINCE 1941, NOT PREVIOUSLY UNDER FEDERAL INSPECTION

† BEEF LAMB, MUTTON, PORK, AND MISCELLANEOUS MEATS IN MEAT PACKING PLANTS AND COMMERCIAL COLD STORAGE HOUSES, BEGINNING OF MONTH

THE LIVESTOCK AND WOOL SITUATION

Approved by the Outlook and Situation Board, September 25, 1946

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SUMMARY

Domestic demand for meat will continue strong through early 1947 with record high consumer incomes in prospect. Meat supplies in that period will be less than the demand at ceiling prices. Retail meat price ceilings are now about 13 percent higher than in June, and are scheduled to go higher in January and again in April as subsidies are reduced and then removed. Some decline in demand for meat may occur in late 1947 and early 1948, because of lower consumer income at that time. Also some shift may develop in consumer spending from food to other consumer items, such as automobiles, washing machines, refrigerators and clothing, as supplies become more abundant.

United States meat exports probably will decline in 1947, with lower demand for imported meat in continental Europe, large export supplies in Southern Hemisphere exporting countries, and a relatively high level of meat prices in the United States. Purchases of meat by the armed forces will be smaller next year. Under present international allocations, virtually no meat is being imported by the United States.

Civilian meat supplies per person in 1947 may be as large as in 1946. Meat output during the remainder of 1946 may be relatively low, reflecting heavy marketings of hogs and cattle in July and

SEPTEMBER 1946

August during the period of free prices, and delayed fall marketings of cattle and spring pigs. Meat production for 1946 as a whole will be less than the 22.9 billion pounds produced in 1945. Pork production in 1947 may be smaller than in 1946, as the indicated 15 to 20 percent reduction in the 1946 fall pig crop may be only partly offset by delayed marketings of 1946 spring pigs and a possible increase in the 1947 spring pig crop for market in the fall and winter of 1947-48. Cattle and calf slaughter in 1946 will be materially less than the record slaughter of almost 35 million head in 1945. But with a relatively large number of cattle held over into 1947, slaughter next year may be larger than in 1946. Sheep and lamb slaughter will decline in 1947, with fewer lambs available for grain-feeding this winter and a probable smaller lamb crop next year because of the continuing reduction in ewe numbers.

Recent increases in hog price ceilings and declining corn prices suggest that the spring pig crop of 1947 may equal or slightly exceed the 1946 spring pig crop of 52 million head. The hog-corn price ratio in early September was materially under the long-time average for the month. The ratio will increase as new-crop corn is harvested. But even if corn prices go as low as support levels (90 percent of October 1 parity), the ratio during the early winter, on the basis of the present hog ceiling, would not be favorable for a material increase in the 1947 spring pig crop.

The number of cattle to be grain fed in the next year probably will be greater than in the past year. Higher prices for better grades of cattle than under previous ceilings, large numbers of cattle available for feeding, and large supplies of feed in principal feeding areas, all point to a large number of cattle to be fed next winter and spring, despite continuing high prices for feeder cattle. Marketings of fed cattle may be delayed next spring if price ceilings remain in effect through June, but market supplies of fed cattle are likely to be large next summer.

Recently established ceilings will permit prices of cattle and hogs to be around 10 percent higher, and lambs over 15 percent higher, than in the first half of 1946. However, a possible decline in national income in the second half of 1947 would be accompanied by declining prices of meat animals, particularly in the fourth quarter when meat production will be increasing seasonally.

The payment of subsidies to slaughterers was resumed September 1 at the June rates. It has been announced that subsidies are to continue at this rate not later than January 10, 1947, when subsidies will be cut in half. The entire subsidy program on meats is to end not later than April 1, 1947. Retail and wholesale ceiling prices of meat will be raised to offset these losses of subsidies to packers.

Prices of wool to United States mills may be somewhat higher in 1947 than in 1946. Prices have advanced in foreign markets and this rise, if maintained, will be reflected in prices for foreign wools in bond at Boston. CCC selling prices for domestic wool may also be increased because of the continuing rise in the parity index (prices paid by farmers, including interest and taxes) upon which wool parity is based. Commodity Credit Corporation cannot, under existing legislation, sell its wool at less than parity.

Prices to growers will be supported at present levels by CCC purchase at least until April 15, 1947. Foreign prices probably will not increase sufficiently by April 1947 to raise duty-paid prices of imported wool to the level of present CCC purchase prices.

Shorn wool production in 1947 will continue its decline because of reduced sheep numbers. Assuming no great change in farm price of wool in 1947, cash receipts from wool may be lower than in any year since 1940 because of the smaller clip. But cash receipts from sheep, lamb, and wool combined may exceed any previous year except 1946 and possibly 1943 because of high lamb prices.

United States mill consumption of apparel wool in 1947 probably will decline moderately from the record annual rate of about 1 billion pounds, grease basis, which has been maintained consistently since 1941. But consumption still may be almost half again as large as the 1935-39 average. Demand will continue high during most of 1947 because of high consumer incomes and demand for replenishment of commercial inventories. Consumption of domestic wool, which has been small, may increase, and possibly may be as large as production in 1947 provided CCC sale prices are reasonably in line with the prices of comparable duty-paid imported wool.

Prospects are that total apparel wool supplies in the United States in 1947 will continue to be unusually large compared with consumption, because of ample imports and large stocks, even with a domestic production smaller than this year.

With the possibility that world consumption of wool will exceed production in the 1946-47 season, world stocks probably will be reduced for the first time since 1939 or 1940. The world carry-over of apparel wool at the beginning of the 1946-47 season (about July 1) is now estimated at about 5 billion pounds, grease basis, more than three times as large as the 1934-38 average stocks, and much larger than any previous peacetime year.

OUTLOOK

MEAT: SUPPLY, DEMAND AND PRICE PROSPECTS

Continued Strong Meat Demand in Early 1947; Meat Supplies Large

Domestic demand for meat in early 1947 will continue strong with incomes of consumers expected to reach even higher levels in the first half of the year than in 1946. But a recession from this high level is possible in the second half of 1947. Also with larger supplies of civilian goods to be available, the share of total disposable income spent for food may decline from the high wartime peak.

Meat production in 1946 will be less than the 22.9 billion pounds in 1945 and the record high production of 24.7 billion in 1944. In 1947, pork production will be reduced in the spring and summer as a result of the sharp decline

in the size of the 1946 fall pig crop. But this reduction may be largely offset by delay in marketings of 1946 spring pigs and by a possible increase in the 1947 spring pig crop for market in late 1947 and early 1948. Because of a tendency among producers to delay marketings of cattle this fall, slaughter of cattle and calves may be larger in 1947 than in 1946. Sheep and lamb slaughter probably will be less than in 1946, with the prospects of a smaller 1947 lamb crop than the 1946 crop and fewer lambs to be fed this winter.

Civilian supplies of meat per capita in 1947 may be as large as in 1946. Per capita meat supplies in 1946 will total 140 to 145 pounds compared with 138 pounds per person in 1945 and 148 pounds in 1944, when civilian consumption was largest for any year since 1911. Military purchases of meat in 1947 are likely to be around 500 million pounds, somewhat smaller than purchases in 1946. Export of meat will be less than in 1946 when exports and shipments to U. S. territories may total 1.2 to 1.3 billion pounds. Purchases of meat by the Department of Agriculture for export were large in the first half of 1946. Exports, including shipments for relief and transfers from Army stocks, totaled around 1 billion pounds, dressed meat basis, in the 6-month period. Procurement of meat by the CCC since June has been small, but some meat has been exported from Government stocks. The Government recently announced that after September 30 it will discontinue purchases of meat for export except for URRM. The URRM program, accounting for around 40 percent of 1946 exports and shipments, is slated for termination December 31 in Europe and March 31 in the Orient. All purchases by the Department of Agriculture were suspended in September when marketings of meat animals fell to extremely low levels.

Reduced Exports Likely in 1947

Demand for United States meat in Europe in 1947 may be less strong than in 1946. Meat production in Europe, including the United Kingdom, but excluding USSR, in 1946 was only 55 to 60 percent of prewar. The sharp drop in production reflected a 35-percent reduction in hog numbers, about a 20-percent decrease in sheep numbers and a 13-percent decrease in cattle numbers from 1936-40 to 1945. Output was also affected by lighter weights of animals slaughtered. Meat supplies will continue below prewar in most European countries for several years. However, most of these countries are expected to keep their imports of food, especially of higher-priced meat, at comparatively low levels while attempting to meet more pressing needs for industrial machinery and raw materials.

Total exports of meat from the major supplying countries of South America, Canada, New Zealand, and Australia in the next few years may be increased or at least maintained at the 1946 level which is substantially above prewar. These sources normally under-sell the United States in the European market.

Meat-Animal Prices to Average Higher in Early 1947 Than in 1946

Despite relatively large meat supplies, near-record prices for meat animals are in prospect for early 1947 -- second only to the high prices of July and August 1946. Recent adjustments in ceilings will bring prices of meat

animals around 10 to 15 percent higher than in the first half of 1946. In that period the index of prices received by farmers for hogs, cattle, calves, sheep, and lambs averaged 220 (August 1909-July 1914 = 100), only 10 points below the previous record high prices in May 1919. In the first half of 1946 direct farm subsidies for sheep, lambs, and better grades of cattle, amounting to 5 index points, are not reflected in the average price received by farmers. The index of meat-animal prices set a new high in August 1946 of 294. Prices of meat animals probably will decline in late 1947, during peak fall and winter marketings. The decline will be marked if consumer incomes should decline substantially in that period.

Table 1.- Meat-animal prices, per capita national incomes, per capita meat production and meat exports, World War I and World War II

Period	Per capita national income, BAE		Per capita meat production		U.S. exports and shipments of meat		Index numbers of prices received by farmers for meat animals (Aug. 1909-July 1914 = 100)
	Deflated by:		meat		shipments		
	Actual	consumer price index:			of meat		
	Dollars	Dollars	Pounds	Mil. pounds			
World War I							
1914	367	511	142	554	113		
1915	381	526	148	1,455	105		
1916	440	565	156	1,425	123		
1917	516	563	150	1,452	177		
1918	556	517	166	2,766	203		
1919	629	508	158	2,305	207		
1920	689	482	144	1,173	173		
1921	537	421	140	928	107		
1922	550	459	147	844	114		
1923	632	518	158	1,130	108		
1924	619	507	154	855	112		
World War II							
1939	543	546	133	246	112		
1940	591	590	143	221	111		
1941	707	672	145	677	146		
1942	893	761	160	1,678	188		
1943	1,093	880	176	2,531	209		
1944	1,164	921	178	1,899	200		
1945	1,153	673	163	1,193	210		
1946 1/2	1,156	838	161	1,300	240		

1/ Partly forecast

Meat-Animal Prices Declined Sharply After World War I

Meat-animal prices during World War II and in late 1945 and 1946 followed a course similar to that during the following World War I. Prices of meat animals rose sharply in 1916-18, reaching a peak for the war period in late 1918 and early 1919, following the relaxation of price control after World War I.

During the early period of reconstruction of Europe, when relief needs were pressing, there was a great deal of speculation in meats in anticipation of greater relief shipments of meat than finally developed. The decline in meat-animal prices after the last war was severe. Prices started down in late 1919 with the seasonal increase in cattle and sheep marketings; and by the end of 1921, prices of meat animals were only half as high as at the end of 1919. In 1921-24, prices were relatively unchanged; prices then rose to higher levels until mid-1930.

Three major factors were responsible for the decline in livestock prices after World War I: (1) a sharp decline in per capita national income from 629 dollars in 1919 to 537 dollars in 1921, a drop of 15 percent; (2) a continuation of large per capita meat production in 1921-24 (per capita meat production in 1921-24 averaged almost 150 pounds compared with peak production of 166 pounds in 1918 and 158 pounds in 1919); and (3) a sharp decline in U. S. meat exports (exports and shipments of meat in 1921-24 averaged 939 million pounds a year compared with 1.9 billion in 1915-19).

Meat production during 1941-45 averaged 164 pounds per capita compared with average production of 130 pounds in 1930-39, when meat output was at a low level because of the droughts of 1934 and 1936. Production per person reached a peak of 178 pounds in 1944, but has been declining since. Production thought still declining moderately, will continue large for several years. Pork production is likely to be maintained at a high level. Hog prices are to be supported as provided in current legislation at not less than 90 percent of parity, and further encouragement will come from improved technological and cultural practices making it possible to produce large corn crops with average weather. Large meat production and smaller exports would require continued high levels of consumer incomes to maintain high meat prices.

HOGS

Small Increase in 1947 Pig Crops Indicated

Increases in hog price ceilings in early September over the June level and declining corn prices suggest that the spring pig crop of 1947 may be slightly larger than the 1946 spring pig crop. This estimate is based on past relationships between the size of the spring pig crop and the hog-corn price ratio at breeding time, together with the number of sows and gilts on farms at year end. The number of sows and gilts 6 months and older on hand December 31, 1946 may be slightly greater than a year earlier. Record feed-grain supplies per animal unit for the feeding year 1946-47 and a probably absence of ceilings for 1947-48 may induce farmers to produce more pigs than would be indicated from the historical relationships.

The hog-corn price ratio in early September was materially under the long-time average for the month. The ratio probably will increase as new-crop corn is harvested, but even if corn prices go as low as support levels (about \$1.18 per bushel, farm basis, at August 15 parity) the ratio during the early winter would not be favorable for a material increase in the 1947 spring pig crop.

Feed supplies will be ample in 1946-47 to (1) feed out 10 to 12 percent larger spring pig crop in 1947 than in 1946; (2) permit a substantial increase in cattle feeding; (3) maintain about the same volume of other livestock production as in 1945 and 1946, and (4) have a larger carry-over at the end of the

feeding year. Feed-grain supplies for 1946-47 both in total and per animal unit, will be a record. Supplies of high-protein feeds may be nearly as large as a year earlier in total but larger per animal-unit.

The annual pig crops increased each year, except 1940, from the low level of 63 million in 1937 to a record high of 122 million in 1943. The expansion after 1940 was the result of higher hog prices, large feed supplies, and the Government's policy of encouraging production. Hog production was stimulated by support prices for hogs and large purchases of pork and lard for export and the military forces. Reserves of grain that had accumulated during the war had largely been used up by the spring of 1944. Hog prices dropped to the support level during the winter and spring of 1943-44 with record marketings from the 1943 pig crops. The 1944 and 1945 pig crops were both around 87 million, reflecting less favorable relationships between hog and feed prices. The 1946 spring pig crop was slightly larger than the 51.6 million head saved a year earlier, but the 1946 fall pig crop will be materially smaller than a year earlier, reflecting the sharp increases in prices of feed grains in May, when ceilings were increased, and even sharper increases after price control on feed grains lapsed July 1. Feed concentrate supplies became short in the spring and summer of 1946 owing to heavy rates of feeding for all livestock and the large proportion of soft and wet corn in the 1945 harvest. These shortages occurred despite the near-record total supply of feed grains and concentrates and a large supply per animal unit. July 1 stocks of old-crop corn were the smallest since 1937.

Table 2.-Spring and fall pig crops, United States, average 1935-39, and 1940-46

Year	Spring pig crop	Fall pig crop	Total
	Thousands	Thousands	Thousands
1935-39 average	41,872	26,767	68,639
1940	49,567	30,273	79,840
1941	49,234	35,493	84,727
1942	60,902	43,657	104,559
1943	74,034	47,672	121,706
1944	55,428	31,240	86,668
1945	51,570	35,144	86,714
1946 1/	52,324	2/29,100	2/81,424

1/ Preliminary.

2/ Indicated by June Pig Survey on basis of intended number of sows to farrow fall pigs and 5-year average number of pigs saved per litter.

Hog Prices to Continue at Ceilings During First Half of 1947

Prices of both corn and hogs remained relatively stable in 1943-45, generally at ceilings. However, in the winter and spring of 1943-44, when hog marketings were so large that slaughter facilities were taxed and supplies of pork at ceiling prices temporarily exceeded demand -- the only time under controlled prices -- hog prices dropped to support levels. In contrast, hog prices reached new record highs and feed-grain prices reached the highest levels in 25 years in the summer of 1946 when prices were decontrolled temporarily.

Table 3.- Price received by farmers for hogs and corn and hog-corn price ratio, average 1924-43, annual 1940-46

Year	Hogs per 100 pounds 1/ Dollars	Corn per bushel 1/ Cents	Hog-corn price ratio Bushels
Average			
1924-43	8.30	71.0	12.1
1940	5.39	59.0	9.2
1941	9.09	64.3	14.2
1942	13.04	79.4	16.5
1943	13.70	102.6	13.6
1944	13.10	113.3	11.6
1945	14.00	109.7	12.8
Jan.-Aug. 1945	14.02	108.9	12.9
Jan.-Aug. 1946 2/	15.38	138.0	11.4

1/ Annual prices are weighted averages. 2/ Preliminary.

The September 1 increases in hog ceilings will reflect to farmers an average price of around \$15.70 compared with \$14.30 under the June 30 ceilings. However, this represents a considerable roll-back from the average price received of \$20.90 in mid-August and with even higher prices received for sales later in the month. Hog prices are likely to continue at the ceilings through June 1947. With no ceiling price differential between prices of butcher hogs and other hogs, the spread between prices of sows and other heavy hogs, and medium weight butcher hogs, will continue much narrower than usual. With abundant supplies of corn available, the small or nonexistent discounts for heavier hogs will encourage farmers to feed out hogs to heavy weights.

Hog prices may rise temporarily when price controls are lifted in July 1947. Even if some hogs are withheld from market during late spring, the supply of hogs for summer slaughter is likely to be smaller than in the summer of 1946 as a result of the reduced 1946 fall pig crop. Hog prices probably will decline as marketings increase seasonally in the fall of 1947, particularly if national income payments are receding at that time.

The first support price for hogs was announced in the spring of 1941. During nearly all of the war hog prices were higher than 90 percent of parity. The support price level for the hog-marketing year beginning October 1, 1946 was tentatively announced last fall at a season average price of about \$12.00, Chicago basis, for good and choice butcher hogs, or not less than 90 percent of parity. At present, 90 percent of parity would be around \$2.00 more than the tentative support price announced a year ago.

Under present legislation, price supports for hogs will continue at not less than 90 percent of parity at least until December 31, 1948.

1946-Crop Hogs To Be Marketed at Heavy Weights

Marketing of hogs fell to a record low in September, following large marketings in July and August. Slaughter is likely to remain low in October. Hogs from the 1946 spring pig crop are likely to be marketed late as were

hogs from the 1945 spring pig crop, reflecting the large supplies of feed available for feeding out of the 1946 harvest and prospective high prices for all weights of hogs at ceiling levels. The total number of hogs for market in the months October-March will be little different from a year earlier, with 1946 spring crop slightly larger than 1945 spring crop. Hogs from the 1946 fall pig crop also are likely to be marketed late and at heavier than average weights.

The number of hogs on farms January 1, 1947 probably will be slightly smaller than a year earlier chiefly because of this year's smaller fall pig crop. Indications are that the number of hogs on farms will be lower than a year earlier in all geographic regions, except possibly in the East North Central States.

CATTLE

Decline in Cattle Numbers May Be Halted Temporarily in 1946

United States cattle numbers increased each year from 65 million head on farms January 1, 1938 to a record high total of 82.4 million at the beginning of 1944, an increase of 26 percent in the 5-year period. Numbers increased relatively more in the Western Corn Belt and in the Western States than in the other regions. The smallest relative increase occurred in the North Atlantic States. The increase in cattle numbers was stimulated by a sharp rise in cattle prices in the early years of the war and favorable years for pasture and feed production. The number of milk cows and heifer calves from dairy herds on farms increased 18 percent in the 5 years 1938-43, with the total of these classes on farms at the beginning of 1944 estimated at almost 41 million. Numbers of dairy stock increased relatively most in the West North Central, South Central, and Western States.

Cattle numbers declined somewhat during 1944 in all regions, with the sharpest declines occurring in the number of milk stock. Beef-cow numbers remained at a high level in 1944 and 1945. The total number of cattle on farms at the end of 1946 may be larger than the estimated 79.8 million on hand January 1, 1946. A reduction apparently has occurred in the number of cows kept for milk, but numbers of other cattle may show increases, largely as a result of the current tendency to delay marketings.

Cattle and calf slaughter in 1947 is likely to be at least as large as in 1946. Slaughter in 1946, on the basis of slaughter in the first 8 months and current trends, may total 30 to 32 million head, considerably under the record high of 34.9 million head slaughtered in 1945.

More Cattle To Be Grain Fed in Next Year

Cattle feeding has been at a high level throughout the past 5 years. In each year since 1940, except 1944, the number of cattle and calves reported as on feed for market January 1 exceeded 4 million head, compared with an average of 3 million on feed January 1, 1930-39. An estimated 4,157,000 cattle and calves were on feed in the United States January 1, 1946, 4 percent less than

Table 4 - Cattle and calves: January 1 numbers on farms and ranches, by regions, 1938-46

Year	North Atlantic	North Central East	North Central West	South Atlantic	South Central	Western	United States
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.
All cattle and calves							
1938	4,865	11,034	18,028	4,575	16,068	10,879	65,249
1939	4,940	11,307	18,346	4,468	16,110	10,858	66,029
1940	4,992	11,795	19,507	4,573	16,290	11,050	68,197
1941	5,027	12,250	21,039	4,736	16,846	11,563	71,461
1942	5,047	12,635	22,447	4,905	17,764	12,364	75,162
1943	5,023	13,040	24,070	5,192	18,751	13,028	79,114
1944	5,209	13,465	24,983	5,519	19,326	13,857	82,364
1945	5,235	13,383	24,853	5,485	19,353	13,600	81,909
1946 1/	5,111	13,101	23,372	5,394	19,286	13,527	79,791
Milk cows, heifers and heifer calves being kept for milk							
1938	4,422	8,355	8,987	2,630	7,130	3,250	34,774
1939	4,521	8,599	9,133	2,694	7,358	3,321	35,626
1940	4,585	8,827	9,414	2,731	7,487	3,377	36,412
1941	4,617	9,089	9,741	2,791	7,611	3,508	37,357
1942	4,636	9,411	10,225	2,887	7,966	3,687	38,812
1943	4,604	9,615	10,610	2,992	8,367	3,815	40,033
1944	4,753	9,895	10,718	3,110	8,542	3,911	40,927
1945	4,803	9,935	10,265	3,070	8,501	3,862	40,436
1946 1/	4,682	9,716	9,575	3,011	8,176	3,706	38,866
Other cattle and calves, including all bulls							
1938	143	2,679	9,041	1,745	8,938	7,629	30,475
1939	119	2,708	9,213	1,774	8,752	7,537	30,403
1940	107	2,963	10,093	1,842	8,302	7,673	31,785
1941	110	3,161	11,298	1,945	9,235	8,055	34,104
1942	111	3,224	12,222	2,018	9,798	8,677	36,350
1943	129	3,395	13,460	2,200	10,384	9,213	39,081
1944	156	3,570	14,272	2,409	10,784	9,946	41,437
1945	132	3,448	14,588	2,415	10,852	9,738	41,473
1946 1/	129	3,385	13,797	2,383	11,110	9,821	40,925
1946 as percentage of 1938							
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
All cattle & calves:	107.1	122.0	138.6	126.1	120.3	127.4	126.2
Milk cows etc:	107.5	118.1	119.2	118.3	119.8	120.3	117.7
Other cattle, etc.:	102.9	133.3	157.9	138.1	120.7	130.4	136.0
1946 as percentage of 1941 1/							
All cattle & calves:	98.1	97.3	93.5	97.7	99.8	97.6	96.9
Milk cows etc.:	98.5	98.2	99.4	96.8	95.7	94.8	95.0
Other cattle, etc.:	94.1	94.8	96.7	98.9	103.0	98.7	98.8

1/ Preliminary.

the number on feed a year earlier, but 5 percent more than were on feed January 1, 1944. A large number of cattle were fed during the 1945-46 winter and early spring season to utilize the soft corn from the large 1945 crop. Cattle generally were put into feed lots last fall at record high prices. Other feeding costs were high and marketings of cattle from feedlots were large in the first quarter of the year.

The number of cattle on feed in the Corn Belt January 1, 1946 was estimated to be 3,310,000 head, 5 percent less than a year earlier. On April 1 the number on feed in the Corn Belt was estimated to have been 17 percent (around 350,000 head) less than a year earlier. The percentage decline from the previous April 1 was one of the greatest on record, exceeded only in the years following the 1934 and 1936 droughts. Marketings of cattle from feedlots were comparatively small in May and June but were large in July and August, following the lapse of price control. The number of cattle on feed for market August 1 in the Corn Belt was estimated to be 45 percent less than a year earlier, the smallest for that date on record. Feeding also was sharply reduced in the principal feeding States in the West.

Table 5 - Cattle on feed, January 1, by regions
1935-39 average, 1940-46

Year	Pennsyl- vania	Eastern Corn Belt	Western Corn Belt	Western States	Total United States
	Thous.	Thous.	Thous.	Thous.	Thous.
1935-39 average	83	753	1,525	602	2,963
1940	74	944	1,852	763	3,633
1941	72	1,002	2,148	843	4,065
1942	70	961	2,293	861	4,185
1943	80	993	2,540	832	4,415
1944	75	903	2,279	708	3,967
1945	70	907	2,566	781	4,324
1946 1/	77	881	2,429	770	4,157

1/ Preliminary.

A sharp rise in prices of better grade cattle since June 1946 and the prospects of increased supplies of feed grains per animal unit in the feeding year beginning October, 1946 point to a larger number of cattle to be grain fed next winter and spring than a year earlier.

Cattle prices had been rising slightly for several months prior to the lapse of price control and advanced materially in July and August. Lower grade cattle did not advance in price during the period of free prices. Despite record high prices for feeder cattle, a much larger number of cattle were started on feed this summer than a year ago, partly as a result of a wider feeding margin. The movement of stocker and feeder cattle to 8 Corn Belt States in July and August was 64 percent greater than a year earlier. The number of steers and beef heifers on farms January 1, 1946 was only 5 percent less than the record number on hand at the beginning of 1944, and the supply of cattle available for feeding is large.

Feeder Cattle Prices to Continue High

The increase of \$2.25 per 100 pounds in the overriding ceiling for all cattle, a corresponding increase in the stabilization range prices for the choice grade, and a \$2.00 increase in the maximum stabilization range prices for good grades, with no increase in the stabilization range prices for lower grades will tend to result in a wider margin between prices of higher and lower grade cattle than under the old ceilings. This increase in margin is partly offset by the elimination of the 50-cent cattle feeding subsidy. With the prospect of a small proportion of fed cattle in total cattle marketings at least through winter, and with a strong total demand for beef, slaughterers will continue to pay high prices for lower grade cattle suitable for slaughter, even though canned meat purchases by the Government are likely to be small this fall and winter. Prices of feeder stock may continue higher than a year ago. In early September, prices of feeder steers at Kansas City averaged around \$16.00, \$4.00 per 100 pounds higher than last year.

Supplies of feed will be ample in most of the important feeding areas in the next 12 months, largely as a result of a record corn crop and the second largest crop of oats. The total supply of feed concentrates for feeding in the 1946-47 season, including feed grains, byproduct feeds, and wheat and rye for feed, on the basis of September 1 crop conditions, would be slightly larger than the 1945-46 total supply of 160 million tons. The supply per animal unit would be 5 to 6 percent larger than a year earlier.

Hay supplies are ample for the livestock to be fed, although slightly smaller per animal unit than the large supplies of a year ago. Hay supplies are below the 1939-45 average in the eastern Corn Belt, but are above average in all of the other regions of the nation.

Returns From Cattle Feeding During Past Season Greater Than Year Earlier

Returns from feeding steers purchased in August-December 1945 and sold in May-August this year by Corn Belt feeders as a whole apparently were more profitable than a year earlier. Returns from feeding were definitely greater than in the corresponding periods of 1943-44 and 1942-43. Throughout the war, returns from feeding cattle for the country as a whole were generally favorable.

Data indicating feeding costs and the margin between the market value of a steer over feed and marketing costs in the Corn Belt are shown in Table 6. The comparison of returns from feeding steers has been calculated from average market prices of fed cattle, feeder cattle, and feeds. While the feeding ration and prices are fairly representative of average feeding operations, they will not coincide with the experience of individual feeders. Steers are assumed to have been purchased at Kansas City in August-December 1945, those months including around 60 to 65 percent of feeder cattle annually received in the 8 Corn Belt States. The length of the feeding period would average 9 months in which the feeder stock would be pastured 1 to 3 months, with little supplemental feeding, and grain fed for 6 to 8 months. The marketing period May-August normally includes around 65 percent of the annual number of good grade Corn Belt steers marketed for slaughter at Chicago.

Table 6.- Specified average prices and costs in the feeding of steers in the Corn Belt, 1939-46

Item	Season						
	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Average price per 100 pounds:	Price per unit						
for good grade beef steers:							
sold out of first hands, :							
9.00 Chicago, May-August.....:	10.15	10.99	13.85	15.36	16.18	16.12	18.53
Subsidy per 100 pounds.....:						.40	.25
Average cost of feeder steers:							
at Kansas City per 100 :							
16.10 pounds, August-December...:	7.88	8.49	9.82	12.08	11.52	11.56	12.91
Average price per bushel of:							
corn, North Central States:							
1.30 September-July.....:	.510	.577	.711	.862	1.039	1.009	1.175
Average price per ton re- :							
ceived by farmers for :							
alfalfa hay loose, North :							
19.50 Central States, Sept.-July:	8.33	8.12	10.45	11.31	16.34	17.39	15.54
Average price per 100 pounds:							
paid by farmers for cotton-:							
seed meal, United States, :							
4.50 September-July.....:	1.38	1.30	2.44	2.44	3.02	3.08	3.30
	Total value						
Market value at Chicago of :							
good grade beef steers, :							
199.50 market weight (1,050 pds.):	106.58	115.40	145.42	161.28	169.89	169.26	194.56
Subsidy credit.....:						4.20	2.62
Market value plus subsidy...:	106.58	115.40	145.42	161.28	169.89	173.46	197.18
Market cost at Kansas City :							
112.00 of 700-pound feeder steers:	55.16	59.43	68.74	84.56	80.64	80.92	90.37
Cost of transportation from:							
3.50 market to feeder.....:	3.50	3.50	3.50	3.50	3.50	3.50	3.50
65.00 Cost of 50 bushels of corn.:	25.50	28.85	35.55	43.10	51.95	50.45	53.75
14.63 Cost of 0.75 ton of alfalfa:							
hay, loose.....:	6.25	6.03	7.84	8.48	12.26	13.04	11.66
Cost of 50 pounds of cotton-:							
2.25 seed meal.....:	.94	.90	1.22	1.22	1.51	1.54	1.65
Transportation and market- :							
5.00 ing expense.....:	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total of cost items :							
202.38 shown 1/.....:	96.35	103.77	121.85	145.86	154.86	154.45	170.93
Margin of market value of :	2.75	2.96	3.48	4.16	4.42	4.41	4.89
steers over total of cost:							
-2.88 items shown 1/.....:	10.23	11.63	23.57	15.42	15.03	19.01	26.25

1/ Does not include overhead costs, cost of pasture or other feed ingredients and death loss, or credits for manure and for hogs following steers. The feed ration and prices shown are designed to be fairly representative of average feeding experience in the Corn Belt, but probably do not coincide with the experience of individual feeders.

Cattle Prices Set New High in August; Prices
to Continue at New Ceilings in Early 1947

Cattle prices rose sharply from late 1940 through 1942. Prices tended to stabilize from 1943 through 1945 as price controls became effective. The average of prices rose steadily in early 1946 to the highest levels of record. After the lapse of price control, prices for the better grades advanced sharply. With small marketings of such cattle relative to the strong demand, prices of top cattle in late August reached \$30.25 per 100 pounds at Chicago for a few loads compared with the previous top prior to July 1946 of \$21.50 in December 1919. The average price of slaughter steers at Chicago was \$21.36 in July 1946 and \$21.71 in August 1946 compared with \$17.30 under the June ceilings. A considerable roll-back of prices of higher grade cattle occurred under the ceiling price schedule which became effective September 1, 1946. Average prices to farmers for cattle under the new ceilings will be around \$2.00 lower than in August but around \$1.00 higher than in June.

Cattle prices are likely to continue high under the ceilings, with high incomes of consumers. Price ceilings are now scheduled to be removed July 1, 1947. Prices of better grade cattle next summer probably will not reach the record highs of the summer of 1946. Summer marketings of fed cattle will be larger than in 1946. Cattle prices may decline fairly sharply in the fall of 1947 as marketings increase, particularly if general business activity should decline at that time.

Table 7.- Prices of cattle and calves, Chicago and Kansas City, 1940-46

Item	Weight and Grade	1940	1943	1944	1945	Average January-August 1/ 1945 : 1946	
		<u>Dol.</u>	<u>Dol.</u>	<u>Dol.</u>	<u>Dol.</u>	<u>Dol.</u>	<u>Dol.</u>
Chicago:							
Slaughter steers.....	All grades	10.43	15.30	15.44	16.18	15.95	17.82
Cows.....	Good grade	7.22	12.99	13.21	14.01	14.23	14.44
Canner and cutler cows..		4.30	7.52	6.40	7.31	7.41	7.82
Veal calves...	Good and choice	10.61	15.18	14.86	15.12	15.42	15.90
Kansas City:							
Feeder steers:	All grades	8.53	12.35	11.78	13.07	13.44	15.24
Feeder calves:	Good and choice						
steers.....	Under 500 pounds	10.40	14.27	13.05	13.94	14.04	15.72

1/ Reflects subsidy payments to slaughterers beginning midyear 1943 but not the direct payment of 50 cents per 100 pounds to producers on cattle weighing over 800 pounds sold for slaughter, except for feeder steers.

SHEEP AND LAMBS

Sheep Numbers Still Declining;

Smaller 1947 Lamb Crop Likely

Since 1941, sheep and lamb slaughter has been at high levels. But the number of sheep on farms and ranches has declined at a record rate, and the lamb crop also has declined each year. Sheep numbers reached a peak in the United States of almost 57 million head at the beginning of 1942, 10 percent above the

1935-39 average. The number on farms January 1, 1946 was 44 million, 22 percent less than on January 1, 1942, and 14 percent less than in 1935-39. Numbers were down in all geographic areas, ranging from a reduction of 28 percent from the 1942 level in the 13 Western States to 19 percent in the South Central States.

The 1946 lamb crop was estimated at 26 million head, 7 percent less than the 1945 crop and was the smallest since 1927. Despite fewer lambs raised this year, total slaughter of sheep and lambs under Federal inspection in the first 8 months of 1946 almost equaled that of a year earlier. Total sheep and lamb slaughter in the latter part of 1946 is likely to be less than a year earlier, reflecting this year's smaller lamb crop and earlier marketings of spring lambs through August. Total sheep and lamb slaughter for the year may be 1 to 2 million head smaller than the large slaughter of 24.6 million head in 1945, as the liquidation of ewes continues. It is likely that the number of stock sheep this year will decline almost as much as in 1945 when an 8 percent reduction occurred.

With a smaller number of ewes on farms next winter, the 1947 lamb crop is likely to show a further reduction. There is little possibility of any great increase in stock sheep numbers in 1947, unless slaughter of ewes and ewe lambs drops off very sharply. Slaughter of sheep and lambs in the first 4 or 5 months of 1947 is likely to be less than in the corresponding period of 1946 because of the fewer number of lambs that will be available for grain feeding this winter. The reduction in slaughter may become more marked later in the year when new-crop lambs are marketed.

Table C.- Estimated number of sheep and lambs on farms January 1, by regions, average 1935-39, annual 1940-46

Year	North Atlantic	North Central		South Atlantic	South Central	Western	United States
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
Average:							
1935-39:	947	5,294	8,124	1,179	10,674	24,426	51,344
1940:	799	5,305	8,127	1,039	11,949	23,880	52,399
1941:	809	5,634	10,406	1,007	12,186	24,241	54,283
1942:	812	5,306	11,381	980	13,000	24,956	56,735
1943:	834	5,567	11,708	957	13,221	23,490	55,775
1944:	803	5,000	10,684	889	12,476	21,912	51,769
1945:	697	4,417	10,045	833	12,024	19,764	47,730
1946 1/:	618	4,216	8,840	730	11,724	18,053	44,241
1942 as percentage of 1935-39 average							
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
	86	94	140	83	122	102	110
1946 as percentage of 1942 1/							
	76	75	78	81	90	72	73

1/ Preliminary.

Fewer Lambs To Be Fed This Winter

Lamb feeding was at record high levels in 1941-46, with the number of sheep and lambs on feed January 1 ranging from 6.5 to 7 million head during that period. The 6.7 million head on feed January 1, 1946 was exceeded only in 1942, 1943, and in 1945. The number fed in the winter of 1945-46 was large relative to the size of the 1945 lamb crop because of the small number of ewe lambs carried over for herd replacements, the excellent condition of wheat pastures in the southern Great Plains, the lamb-feeding subsidy, and the strong prospective demand for lamb during early 1946.

Lamb feeding this winter probably will continue large, but the number to be fed probably will be less than a year earlier, chiefly because of the smaller number of lambs available for feeding and poor prospects for winter wheat pastures as of September 1. The number of lambs saved in 1946 in the Western Sheep States, producing most of the feeding lambs, was over 1 million head smaller than a year earlier. The lamb crop was smaller than a year earlier in all of those States, except Colorado, Utah, and Nevada.

Supplies of feed in most of the principal lamb-feeding areas this winter will be larger than a year earlier, except for high-protein feeds, for which the supply for the country as a whole may be about the same as in 1945-46. However, the condition of pastures over a large part of Kansas, and Oklahoma on September 1, ranged from very poor to extreme drought in contrast to the good to excellent pastures in most of that area in 1945. Pastures in Texas also were poorer than a year earlier. Unless drought is relieved in those States by rainfall this fall, the number of lambs grazed on winter pastures will be smaller this year than last. With reduced production of sorghum and other feeds in the Southern Great Plains, fewer lambs are likely to be in dry lots in that area as well.

Table 9.- Sheep and lambs on feed, January 1, by regions, 1935-39 average, 1940-46

Year	11 Corn Belt States	14 Western States	New York	United States
	Thousands	Thousands	Thousands	Thousands
1935-39 av.	3,121	2,559	49	5,729
1940	3,159	2,642	40	5,841
1941	3,681	2,744	54	6,479
1942	3,838	2,985	45	6,868
1943	4,329	2,601	49	6,979
1944	3,967	2,526	44	6,537
1945	4,314	2,508	36	6,858
1946 1/	4,234	2,456	31	6,724

1/ Preliminary.

Slaughter Lamb Prices to Continue Near Summer

Levels: Feeder Lamb Prices This Fall
Higher Than a Year Ago

Price control on lamb and mutton, but not sheep and lambs, became effective in late 1942. Little change in the general level of sheep and lamb prices occurred until July 1946. The price of lambs rose around \$2.00 per 100 pounds on the average in the summer of 1946 with prices of higher grades increasing up to \$4.00 per 100 pounds. The roll-back subsidy program for lambs became effective in June 1943, whereby slaughterers received a subsidy of 95 cents per 100 pounds, live weight on all sheep and lambs killed. In August 1945, subsidies to slaughterers were withdrawn and direct payments were made to farmers for sheep and lambs sold for slaughter, at rates higher than those previously paid to slaughterers. The subsidy program for lambs was terminated June 30, 1946.

The new ceilings on lamb meat at wholesale, effective September 1, 1946, are higher than the previous ceilings by an amount that more than compensates for withdrawn subsidies to farmers. Mutton ceilings were increased by an amount about equal to the withdrawn subsidies. Lamb prices rose in early September, indicating that live lamb prices under the new ceilings may be somewhat higher than those prevailing in August and \$2.00 to \$3.00 higher than under the June 30 ceilings.

Recent adjustments in lamb price ceilings will result in relatively greater increase in prices for the better grades of lambs than for lambs of lower grades. Increases in ceilings for good and choice grades of dressed lamb will be such as to reflect \$3.00 more to producers than previous ceilings, while prices for commercial and lower grades will reflect only \$2.00 per 100 pounds more. This pricing arrangement will tend to increase the feeding margin for lamb feeders over that under the June 30 ceilings. However, with the strong demand for all meats and with reduced marketings in prospect, packer demand for all grades of lamb will continue strong and feeder-lamb prices are likely to continue at a high level this fall and winter. Feeder-lamb prices in August averaged around \$2.00 higher than a year earlier at Omaha and continued around \$2.50 higher than a year earlier in early September.

Slaughter lamb prices probably will continue at the highest levels permitted under present lamb ceilings. Prices of Lambs are likely to be high relative to prices of hogs and cattle in late 1947 and early 1948, mainly because of the relatively small slaughter supply of lambs in prospect for that period.

Table 10.-Prices of lambs and ewes, Chicago and Omaha, 1942-46

Items	Grade	January-August					
		1940	1943	1944	1945	1945	1946
		Dcl.	Dcl.	Dcl.	Dcl.	Dcl.	Dcl.
Chicago:							
Slaughter Lambs:	good & Choice	9.65	14.95	15.22	15.48	15.90	16.98
Ewes	" " "	4.18	7.44	6.89	7.69	8.34	8.06
Omaha:							
Feeding lambs	" " "	8.53	13.22	12.70	14.17	13.85	15.43

1/ Simple average of prices for months, January, February, March, April, and August. Prices not quoted May-July.

HORSES AND MULES

Wartime Conditions Accelerate Displacement
of Work Stock by Tractors

Numbers of work stock reached a high point in 1918 when the number of horses and mules on farms was estimated at 26.7 million head. The total number of horses and mules on farms at the beginning of 1946 was less than 11.5 million head. During this period the number of tractors on farms increased to around 2.2 million. The reduction in horse and mule numbers since World War I has set free 50 to 60 million acres of feed crop and pasture land for production of other crops and livestock.

Displacement of horses and mules by power-driven farm machinery has been rapid during recent years in spite of the difficulty in obtaining repair parts for tractors and limitations in the manufacture of tractors for farm work. This has resulted primarily from the high wage rates and limited supply of farm labor which has stimulated use of tractors rather than horsepower wherever possible. Production of farm tractors will continue to increase as more materials become available and as reconversion from war production is completed. The production of tractor models of the small type will result in further displacement of horses and mules, especially in the South where relatively small ^{or}holdings per farm have resulted in relatively smaller reductions in numbers of work stock than in other sections of the country where mechanization of farms is now nearly complete. With more widespread use of power machinery, the number of work stock will decline further.

The number of colts raised in recent years has been small, and the rate of decline in horse and mule numbers has been increasing. The increase in the average age of horses and mules on farms has been accompanied by a greater rate of death loss. A strong demand for horse meat, and large exports in 1944-46 also have tended to reduce the number of horses on farms.

Table 11.-Horses and mules: Number on farms, January 1, by age groups,
United States, 1935-39 average, 1940-46

Year	Horses			Mules			Horses and mules		
	Under 1: Over 1:		Total	Under 1: Over 1:		Total	Under 1: Over 1:		Total
	year	year		year	year		year	year	
	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.
1935-39 average	:658	10,627	11,285	86	1,379	4,465	744	15,006	15,750
1940	:619	9,843	10,462	153	3,906	4,039	752	13,729	14,481
1941	:591	9,623	10,214	189	3,783	3,922	730	13,406	14,136
1942	:506	9,401	9,907	129	3,684	3,813	635	13,085	13,720
1943	:401	9,271	9,675	113	3,591	3,704	517	12,862	13,379
1944	:372	8,930	9,302	101	3,430	3,531	473	12,360	12,833
1945	:324	8,517	8,841	97	3,313	3,405	416	11,830	12,246
1946 1/	:242	8,017	8,259	70	3,126	3,196	312	11,143	11,455

1/ Preliminary

Horses are being purchased by CCC for the UNRRA program, the horses being sent to Europe mainly for agricultural work. Requisitions were issued for the purchase of 90,000 mares for export in 1946. Private relief agencies have sent relatively small numbers abroad. Exports of horses also were relatively large in 1945, totaling 14,029 head, the largest since 1928, and far outnumbering imports of 6,901 for breeding and for work (excluding imports for slaughter) in 1945.

In most recent years, imports of horses for breeding and for work have been far in excess of exports. Exports of mules in 1944 and 1945 exceeded 4,500 a year and were the largest since 1930.

Slaughter of horses has been large for the past 5 years. This has resulted from the strong demand and scarcities of meats, with relatively low prices for horses. Federally inspected slaughter of horses in 1945 reached the record high of 77,887 head, about 26,000 more than a year earlier and almost three times larger than in 1939. Slaughter has continued large in 1946, at a rate almost double that of 1945 for the corresponding period. This year through August, CCC purchased over 33 million pounds of canned horse meat and 5 million pounds of cured horse meat for the UNRRA program. The CCC purchase program was completed in August.

Prices of Horses Low; Mule Prices
Remain Relatively High

Demand for work stock was relatively strong in the early war years and prices of both horses and mules reached a peak for the war period in 1943. Prices of horses have slumped sharply since that time. Prices of mules have declined too, but remain at a comparatively high level. The average price received by farmers for horses in the first 8 months of 1946 was \$57.64 per head, \$8.00 lower than a year earlier and the lowest for the period since 1932. In August, the average price received by farmers for mules was \$105.00 per head, \$2.00 higher than a year earlier but \$10.00 lower than the record high average price for the month in 1943.

There is little to indicate that prices of horses and mules will rise in the next year or two. Prices could decline further if the general level of farm prices should decline substantially and exports of horses and mules drop off. Despite fewer work stock in the country, increased mechanization of farms will lessen demand for horses and mules for draft purposes. Demand for mules is likely to be relatively stronger than that for horses as the largest proportion of mules are in the South where mechanization of farms has lagged behind that for the other areas. Demand for work stock could strengthen if farm wage rates should decline materially from present levels in the next few years.

Table 12.- Horses and mules: Price received by farmers,
average 1935-39, 1940-46

Year	:	Horses	:	Mules
	:	Dollars	:	Dollars
1935-39 average	:	88.48		106.14
1940	:	74.30		93.10
1941	:	69.00		87.70
1942	:	78.60		99.90
1943	:	85.70		116.00
1944	:	76.60		111.92
1945	:	63.70		102.80
January-August 1945	:	65.69		104.62
January-August 1946 ^{1/}	:	57.64		105.45

^{1/} Preliminary.

GOVERNMENT ACTIONS

Livestock and Meat Ceilings Reimposed;
Subsidies to Slaughterers Reinstated

Following the recommendations of the Secretary of Agriculture on August 28, new ceilings were set for livestock by the OPA, effective September 1. The new ceilings represent a considerable increase from the level in June but for cattle and hogs a considerable roll-back from July and August prices. The overriding ceiling for cattle and calves, Chicago basis, is \$20.25 compared with the former ceiling of \$18.00. A corresponding increase in the maximum stabilization range prices for choice cattle and a \$2.00 increase in maximum stabilization range prices for good grade cattle was granted to encourage cattle feeding. Stabilization price ranges for the lower grades of cattle are unchanged from those formerly in effect. Higher prices for better grade cattle also were to offset loss of the 50-cent subsidy paid direct to farmers for such cattle.

Ceilings on dressed lamb are calculated to reflect an increase of around \$3.00 per 100 pounds on good to choice lambs. The former ceilings on dressed lamb resulted in an average price of \$15.00 to \$16.00, at Chicago. Ceilings on other grades of dressed lamb and mutton were increased by an amount equivalent to the June subsidies. Higher prices for lambs will more than offset withdrawn subsidies which ranged by months from about \$1.75 to \$2.75 per 100 pounds, averaging around \$2.25 per 100 pounds on all sales for slaughter from August 8, 1945 through June 1946.

The maximum price for all hogs for slaughter at Chicago is \$16.25 per 100 pounds compared with a former ceiling of \$14.85 for barrows and gilts and \$14.10 for other hogs. This will reflect an average price to farmers of around \$15.70 compared with \$14.30 under the June ceilings. The new ceilings were raised more than enough to comply with legal provisions that ceiling prices reflect parity to producers. They will allow for expected further increases in the parity-price index and to offer some incentive for increasing hog production.

Meat and live-animal price ceilings became effective for producers and slaughterers September 1. The ceilings for non-slaughtering wholesalers became effective September 5, and retail ceilings became effective September 10.

Effective September 5, wholesale ceilings on pork products were increased around \$2.00 per 100 pounds, on the average. The average increase at wholesale for choice beef cuts was around \$3.75 per 100 pounds over the June 30 ceilings. Prices of good grade beef cuts were increased around \$3.45 on the average. Increases in wholesale lamb carcasses amounted to \$1.00 to \$3.00 per 100 pounds, with the greatest increases for the good and choice grades. Meat wholesalers were permitted to increase their mark-ups from \$1.00 to \$1.25 per 100 pounds for all meat. This increase will give wholesalers the same margin as on March 31, 1946, as required by a provision in the new price control law.

Retail ceiling prices for beef, lamb, mutton, and pork again became effective September 10. Ceilings on veal became effective at the old ceiling level September 10, but were revised upward an average of 7 to 8 cents per pound October 14. The average retail price of pork under the new ceilings is around 4 cents per pound higher than in June, beef prices average around 3 cents higher, lamb 10 cents higher, and mutton 4 cents higher. The new retail price ceilings for all meat will average around 4 cents per pound over June prices.

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Table 13.- Maximum and minimum costs and subsidy rates for cattle established under RFC Regulations Nos. 3 and 10 and MPR 574 "regular" packers, Chicago basis (Dollars per cwt.)

Regulation and period	Over-riding ceiling:	Grades						Grade D bulls
	AA	A	B	C	D			
DSC Reg. No. 3								
6-7-43 to 12-25-43								
Maximum cost			-- None --					
Minimum cost			-- None --					
Subsidy, flat rate			-- 1.10 all cattle regardless of grade --					
Am. 3, DSC Reg. 3								
12-25-43 to 1-29-45								
Maximum cost	None	16.00	15.25	13.00	11.00	8.25	9.50	
Minimum cost	---	15.00	14.25	12.00	10.00	7.25	8.50	
Subsidy, flat rate		1.00	1.45	.90	.50	.50	.50	
DSC Reg. 3 Rev. & MPR 574								
1-29-45 to 4-1-45								
Maximum cost	18.00	17.00	15.75	13.00	11.00	8.25	9.50	
Minimum cost	---	15.50	14.25	11.50	9.50	6.75	8.00	
Subsidy, flat rate		2.00	1.95	.90	.50	.50	.50	
Am. 2, DSC Reg. 3 Rev.								
4-1-45 to 5-1-45								
Maximum cost			-- No change --					
Minimum cost			-- No change --					
Subsidy at maximum		2.50	2.45	1.40	1.00	1.00	1.00	
Subsidy at minimum		2.00	1.95	.90	.50	.50	.50	
Am. 3, DSC Reg. 3 Rev.								
5-1-45 to 6-4-45								
Maximum cost			-- No change --					
Minimum cost			-- No change --					
Subsidy at maximum		2.75	2.70	1.65	1.00	1.00	1.00	
Subsidy at minimum		1.75	1.70	.65	0	0	0	
Am. 4, DSC Reg. 3 Rev.								
6-4-45 to 3-31-46								
Maximum cost			-- No change --					
Minimum cost			-- No change --					
Subsidy at maximum		3.00	2.95	1.80	1.25	1.25	1.25	
Subsidy at minimum		1.80	1.75	.70	.25	.25	.25	
Am. 13 RFC Reg. 3 Rev.								
4-1-46 to 6-30-46								
Maximum cost			-- No change --					
Minimum cost			-- No change --					
Subsidy at maximum		3.00	2.95	1.90	1.25	1.25	1.25	
Subsidy at minimum		2.00	1.95	.90	.25	.25	.25	
RFC Reg. 10								
9-1-46 --								
Maximum cost	*20.25	19.25	17.75	13.00	11.00	8.25	9.50	
Minimum cost	---	17.75	16.25	11.50	9.50	6.75	8.00	
Subsidy at maximum			-- No change --					
Subsidy at minimum			-- No change --					

*Overriding ceiling for bulls \$13.50.

Provisions requiring the compulsory grading of beef, veal, lamb and mutton by official USDA meat graders again became effective along with the re-establishment of meat price ceilings.

The payment of subsidies to slaughterers was resumed for the period beginning September 1, with payments at the June rates. Subsidies are to continue at this rate not later than January 10, 1947. At that time subsidies will be cut in half. The entire subsidy program on meats is to end not later than April 1, 1947. Direct payments to farmers on cattle, sheep, and lambs will not be revived.

Coincident with the reductions in subsidies, retail and wholesale ceiling prices on meats will be raised to offset the loss of subsidies to packers while maintaining producers' ceilings at the same level as at present. As stated in the Price Control Extension Act of 1942, it is the intent of Congress that ceilings on most, if not all, commodities are to terminate not later than June 30, 1947.

Slaughter Control Program Again in Operation

OPA announced August 30 that effective September 1, 1946 commercial slaughterers, including those under Federal inspection, will operate under slaughter quotas in September. The slaughter quotas for cattle and calves are 90 percent of slaughter in the corresponding quota period of 1944. For hogs, quotas are set at 70 percent of the kill in the corresponding accounting period of 1944.

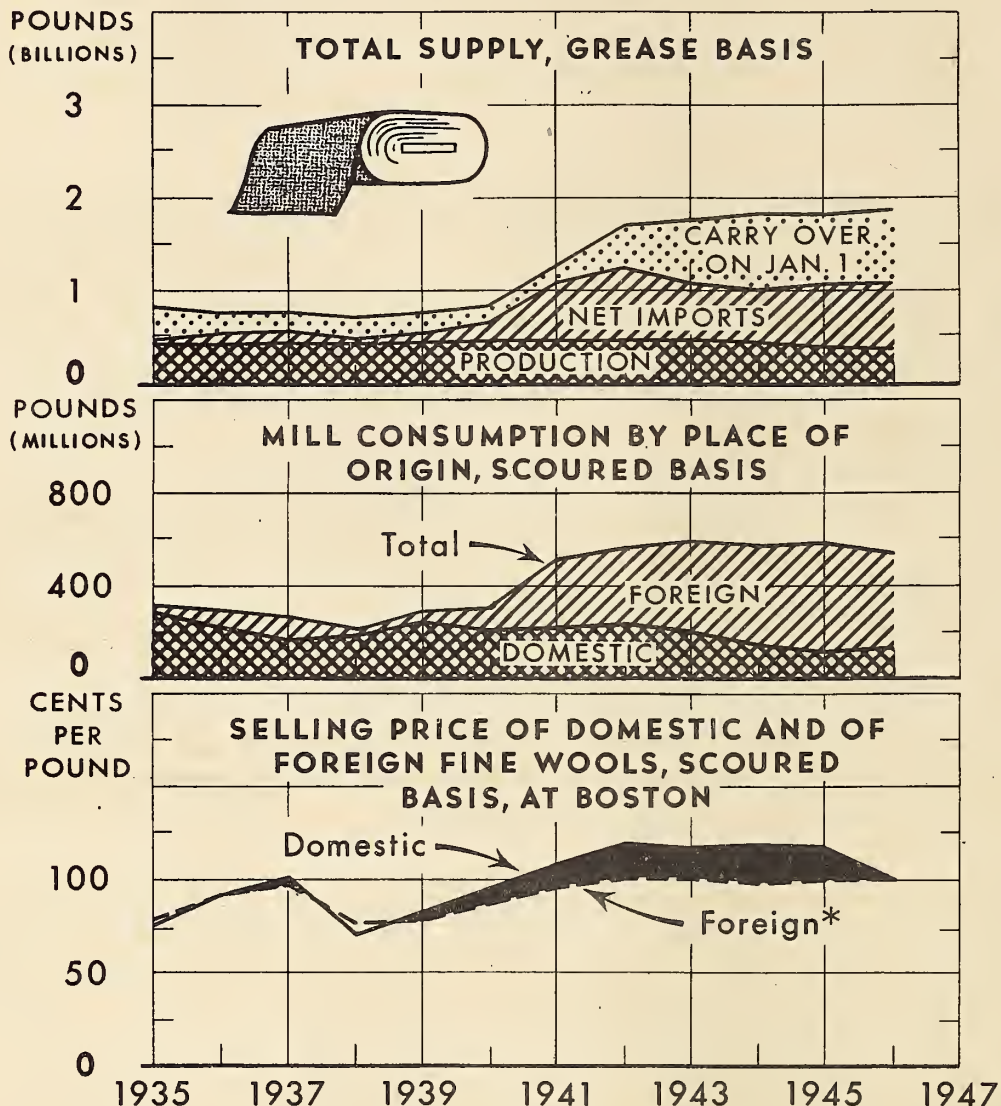
OPA had permitted unlimited quotas for nonfederally inspected commercial slaughterers in the period of free prices. The Department of Agriculture revoked its quota control of federally inspected slaughterers (WFO-75.9) June 30, 1946.

Reimposition of the slaughter controls is an effort to channel more livestock into regular slaughter channels as an aid in OPA's revitalized campaign against the black market in meats. The OPA has enlarged its enforcement staff to police the meat price regulations.

Department of Agriculture Quits Purchasing Meat for Export

The Department of Agriculture announced September 12, that on September 30 it would discontinue domestic procurement of meats and meat products (excluding lard) for export to cash paying foreign Governments. It was stated that the Department would buy some meat for UNRRA, and for United States Government agencies as requested. At present, however, all purchases by the Department have been suspended.

APPAREL WOOL IN THE UNITED STATES, CALENDAR YEARS, 1935-46



* DUTY-PAID, ADJUSTED FOR DIFFERENCE IN PREPARATION OF WOOLS
 DATA FOR 1946 INDICATED ON THE BASIS OF THE FIRST SIX MONTHS
 SOURCE: CONSUMPTION AND IMPORTS FROM THE BUREAU OF THE CENSUS;
 STOCKS FROM THE BUREAU OF THE CENSUS AND DEFENSE SUPPLIES CORP.
 PRICES ARE FROM PMA

U. S. DEPARTMENT OF AGRICULTURE

NEG. 46102-X BUREAU OF AGRICULTURAL ECONOMICS

Supplies of apparel wool in the United States in recent years have been large in relation to the rate of mill consumption. Although 1947 carry-in may be further increased, total supplies for 1947 may be smaller than in 1946 because of reductions in both imports and production. Mill consumption in 1947 probably will decline moderately from the record consumption maintained since 1941. Prices of wool at Boston may average higher in 1947 because of higher prices for fine wools in foreign markets.

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THE WOOL and MOHAIR OUTLOOK

Apparel Wool Consumption
To be Smaller in 1947

Mill consumption of apparel wool in 1947 probably will decline moderately from the record yearly rate of about a billion pounds, grease basis, which has been maintained consistently since 1941. But consumption still may total about 800 to 900 million pounds. This would be considerably larger than the 1935-39 average of 592 million pounds.

Since VJ-Day, production of wool fabrics and blankets, almost entirely for civilian use, has been about 40 percent higher than the 1939 rate of production. As a result, fabric production appears to be more than sufficient to meet demands of clothing manufacturers and inventories may have been built up. Because of more favorable prices in that field, production of fabrics for women's wear has been almost twice the 1939 rate and it seems unlikely that demand will be strong enough to maintain this rate of production through 1947. Production of men's clothing is still far short of current demands, but this appears to be due to difficulties in obtaining labor and perhaps also of pocketing and other cotton components, for finishing garments. A major part of the pent-up consumer demand for men's wear may be met by the end of this year. Demand will continue large in 1947, however, because of high consumer incomes and demand for replenishment of commercial inventories.

Mill use of domestic wool may be larger in 1947 than in the three previous years, in each of which it was smaller than production. Consumption of domestic wool has been increasing this year, but in June, consumption of this wool, at an annual rate, was still only about two-thirds as large as 1946 domestic production. The swing to domestic wool may be accentuated, however, by the higher prices now being paid for foreign wool.

Shorn Wool Production in 1947 May Be 5 to 7
Percent Less than in 1946

Some further decline in the domestic production of wool is indicated for 1947. Stock sheep numbers on farms January 1, 1947, may be 2 million head below the 37.5 million reported on January 1, 1946. This estimate reflects a 7 percent decline in the 1946 lamb crop and also a forecasted slaughter for 1946 of 1 to 2 million head smaller than the large slaughter of 24.6 million in 1945. On the basis of past relationships between sheep numbers and sheep shorn, and assuming weight per fleece equivalent to the 1935-44 average, the indicated shorn wool production in 1947 would be 275-285 million pounds, the smallest since 1926. This would be almost 30 percent below the record 1942 production. Pulled wool production is also expected to be quite a bit smaller in 1947—50-55 million pounds compared with the 59 million pounds, forecast for 1946—not only because of the indicated decline in sheep and lamb slaughter supplies for 1947 but also because of an increased demand for shearlings for mouton fur coats.

While the decline in shorn wool production in recent years has been fairly general throughout the country, it has tended to be somewhat more severe in the West North Central States. The Southern States, particularly Texas, have shown relatively little decline. These trends seem to be continuing so far during 1946 except possibly on the Edwards Plateau in Texas where extremely dry weather this year may force a greater decline than last year.

Imports of Apparel Wool May Be
Reduced 25-50 Percent in 1947

Imports of apparel wool since July 1945 have been at levels exceeding any previous 12 month period except that of 1942 when our large stockpile of foreign wool was built up. This may be explained by the large consumption of wool by mills and their reluctance to use higher priced domestic wool, as well as by the prior liquidation of the foreign wool stockpile. The import rate is expected to decline during the coming year for the following reasons: (1) mill consumption is expected to be lower in 1947, (2) some further increase in the use of domestic wools seem likely in 1947, (3) mills may reduce their inventories of foreign wools if consumption of such wool is reduced in 1947. The combined effect of these three factors may result in a reduction in 1947 of 25-50 percent from the record rate of 72 million pounds a month which has prevailed during the first six months of 1946. Even with such a decline, imports in 1947 would still be 300 to 500 million pounds larger than 1935-39 annual average of 86 million pounds. However, if import prices of foreign wool should average substantially above CCC selling prices of domestic wool, the decline in imports might be even greater than indicated here, because large supplies of domestic wool are available for mill purchase.

1947 Carry-in Stocks Larger than in 1946
Total Supplies to Continue Large

Total stocks of domestic and foreign wool held by mills and dealers and by CCC on July 1, 1946, plus 1946 domestic wool still on farms and ranches exceeded one billion pounds, grease basis. Imports are continuing at a high rate. The carryover on January 1, 1947 probably will be larger than the 1946 carryover of 798 million pounds, and may equal or exceed the quantity to be consumed during the year. Hence the prospects are that total apparel wool supplies during 1947 will continue larger than normal compared with consumption, because of ample imports, large stocks, and a production not much reduced from this year.

Mill and dealer-owned stocks on July 1 totaled about 432 million pounds, of which 319 million were foreign wool. Such stocks, while extremely large, were in fairly normal relationship with the current rate of mill consumption.

CCC stocks of domestic wool totaled 499 million pounds, grease basis, on July 1, 1946 and included only a small part of the 1946 production, most of which had not yet been offered to the CCC for purchase. Sales of domestic wool have been increasing in recent months, but it does not appear that total sales for the year will be large enough to prevent some further increase in stocks.

Wool Prices to Mills May
Be Higher in 1947

Prices of wool to United States mills may be somewhat higher in 1947 than in 1946. Prices of fine quality wools have advanced about 10-15 percent above previous "issue" prices at the Australian auctions which opened September 2 and this rise, if maintained, may be reflected in prices for foreign wool in bond at Boston. CCC selling prices for domestic wool may also be increased because of the continuing rise in the parity index (prices paid by farmers, including interest and taxes) upon which wool parity is based. Under present

legislation, CCC cannot sell its wool at less than parity price. Selling prices on August 15, 1946, were estimated to about reflect the August parity price of 37.3 cents, based on parity index of 204. A further increase in the index might require an increase in CCC selling prices for domestic wool.

Domestic wool prices were removed from price control in early September when wool was excluded from the list of agricultural commodities certified by the Secretary of Agriculture to be in short supply. Foreign wools continue under price ceilings in effect as of June 30, 1946. However, if wool prices in foreign markets increase materially, some change in ceilings may be required under the provisions of the Price Control Extension Act of 1946 relating to imported commodities which are essential to the economy of the United States. This provision requires an increase in maximum prices of such product when the world price exceeds the maximum purchase price established by the Administrator and results in (1) a reduction of the importation of such commodity or (2) a substantial curtailment or restriction in the domestic trade in such commodity, or in products processed directly therefrom.

Prices to Growers in 1947 to
Depend on Government Action

Prices received by farmers for wool will continue about at the present level of 42 cents per pound to April 15, 1947, as the CCC will continue to purchase wool until that date at present prices. After that, prices may decline to a level competitive with prices of imported wool unless the government continues to support prices, since it seems unlikely that prices of foreign wool will increase sufficiently to raise duty-paid prices of imported wool to the level of present CCC purchase prices. CCC purchase prices for fine domestic wool at Boston are now about 20 percent higher than duty-paid prices of imported wool of comparable quality and preparation.

Cash Receipts of Wool Growers May Be
5-7 Percent Lower During 1947

Cash receipts of wool growers may be lower in 1947 than in 1946 primarily because of the reduction in sheep numbers. Wool production in 1947 probably will be 5 to 7 percent smaller than in 1946 and sheep and lamb marketings may show an even greater decline. These declines are expected to more than counterbalance any possible increases in wool and lamb prices to growers after allowing for the removal of subsidy payments on sheep and lambs. Assuming wool prices about unchanged in 1947, the indicated cash receipts from wool would be about 115 to 120 million dollars compared to about 126 million forecast for 1946. This will be lower than in each of the previous five war years but will be higher than any other year since 1919. Because of the high level of lamb prices now prevailing, cash receipts from sheep, lambs and wool combined in 1947 may be the highest on record for the industry, except for 1946 and possibly 1943.

Table 14.- Wool production, January 1 stocks, imports and reported mill consumption
United States, average 1935-39, annual 1940-46
and 1947 forecast

Item	Basis	1935-39 average	1940	1941	1942	1943	1944	1945	1946 indicated	1947 forecast
		Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Production										
Shorn	Grease	359.3	374.6	390.6	392.4	384.4	347.1	321.0	299.0	275-285
Pulled	"	65.5	62.0	65.8	66.7	65.2	71.0	66.0	59.0	50-55
Total	"	424.8	436.6	456.4	459.1	449.6	418.1	387.0	358.0	325-340
Reported stocks, Jan. 1 1/										
Apparel wool										
Privately owned										
Domestic wool	Grease	220.5	125.5	122.0	170.2	208.8	102.5	94.5	69.4	
Foreign wool 2/	"	35.9	51.8	71.8	120.2	184.7	205.6	229.1	279.5	
Total 2/	"	256.4	177.3	193.8	290.4	393.5	308.2	323.6	348.9	
Government owned										
Domestic (CCC)	"						182.0	311.8	449.1	Over 500
Foreign (DSC)	"				157.0	308.8	325.4	113.8	---	---
Total	"				157.0	308.8	507.4	425.6	449.1	
Total apparel	"	256.4	177.3	193.8	447.4	702.3	815.6	749.2	798.0	Over 900
Carpet wool										
Foreign only 2/	"	46.0	38.0	35.3	55.7	70.2	42.0	52.2	110.0	
Imports for consumption										
Carpet wool	Actual weight									
(Donskar, Smyrna, etc.)										
Free 3/	"	129.6	128.5	194.8	58.9	24.9	29.7	73.8		
Dutiable	"	8.1	5.6	7.6	13.1	8.6	5.1	2.6		
Apparel wool										
not finer than 40s										
Free 3/	"	4.1	6.0	16.2	5.9	4.2	42.5	54.9		
Dutiable	"	15.6	17.9	35.4	32.1	14.0	38.8	37.8		
Finer than 40s										
Dutiable 4/	"	66.7	199.2	562.1	5/749.3	5/626.3	5/503.9	5/614.3		
Total wool										
Free 3/	"	133.7	134.5	211.0	64.8	29.1	72.2	128.7	275	
Dutiable 4/	"	90.4	222.7	605.1	5/794.5	5/648.9	5/547.8	5/654.7	750	400-650
Mill consumption										
Apparel wool										
Domestic	Grease	6/508.6	486.8	493.9	540.6	430.4	318.6	251.7		
Foreign	"	6/83.4	154.1	483.2	7/536.6	7/631.0	7/690.4	7/761.1		
Total apparel		6/592.0	640.9	977.1	1,077.2	1,061.4	1,009.0	1,012.8	1,000	800-900
Carpet wool										
Foreign only	"	6/137.4	137.5	190.1	7/60.9	7/43.7	7/61.2	7/76.1	175	

1/ Stocks reported by mills and dealers, and by the U. S. Government. Does not include wool on farms and ranches; farm stocks normally would be small on January 1.

2/ Foreign stocks include wool in bonded warehouses which has not yet been reported in imports for consumption.

3/ All carpet class wool, and apparel class wool grading not finer than 40s may be imported free of duty if used in floor covering, press cloth, knit or felt boots, or heavy fulled lumbermen's socks.

4/ Includes carbonized wool.

5/ Excludes wool entered free as an act of international courtesy for storage and reexport for the British Government.

6/ In computing these averages, original data for 1935-39 were increased on the basis of revised scoured basis. Totals for those years published by the Bureau of the Census.

7/ Beginning with 1942, all duty-paid foreign wools, whether apparel or carpet class, are classified as apparel wool and all duty-free foreign wools are classified as carpet wools in Bureau of the Census mill consumption reports.

Stocks, imports and mill consumption from the Bureau of the Census.

Prices of Foreign Wool
May Average Higher

The British Joint Organization is committed to support prices of new clip and carry-over wools in the British Southern Dominions during 1946-47 at prices about equal to the Government's selling prices for 1945-46. Because of the strong demand for good quality fine grade wools and the limited quantity of such wool in the carry-over, prices of foreign fine wools are expected to average somewhat higher than the support price. Prices of medium wools, which are in large supply, seem likely to remain close to support levels. The support price for Australian wool, on a U. S. currency basis, appears to be about 18 percent higher than the 1934-38 average price at Australian selling centers. The support price announced for New Zealand wool is about 34 percent higher (U. S. currency basis) than the 1934-38 price to New Zealand growers.

Wool prices at the first Australian auctions since 1939 were reported to be 10 to 15 percent higher than the official selling prices for 1945-46.

Little Change in World Wool Production
Indicated for 1946-47

World production of wool in 1946-47 probably will not differ much from that of 1945-46. Increased production reported for Australia is likely to be offset by smaller production in the United States and possibly in some of the Southern Hemisphere countries. Production in 1945-46, now estimated at 3,760 million pounds was about 12 percent smaller than the 1941-42 record production, and was about equal to 1934-38 average production. The sharp decline in production since 1941-42 is largely the result of declining production in the United States and Europe, and serious drought in Australia and South Africa.

Although total world production will be about the same as the 1934-38 average, production of fine-grade wools will be smaller than prewar, while production of medium-grade wools will be considerably larger than prewar. Because of serious sheep loss from drought, production in Australia and South Africa, the principal foreign fine wool producing countries, is now about 4 percent smaller than 1934-38 average production of 1,234 million pounds, and 18 percent smaller than the 1941 record. Production in Australia this year, will be about 4 percent larger than the clip of 1945, which was the smallest since 1927-29. In New Zealand and South America, which produce medium-grade wools, production is still close to the wartime peak. Production in these countries in 1946-47 probably will be about equal to, or only slightly smaller than the 1945-46 production of 1,110 million pounds. This would be about one-fourth larger than 1934-38 average production in these countries.

Consumption in Foreign Countries
To Increase Further in 1946-47

Consumption of wool in foreign countries is expected to show a further gain this year over the depressed wartime level. Considerable progress was made in rehabilitating the textile industries in Continental Europe during the past year. Large purchases of British Dominion wools by France, and Belgium have built up working stocks in those countries. Purchases by these countries in the 1945-46 season were equivalent to more than a full year's consumption

at the 1934-38 average rate. Italy has also obtained considerable British Dominion wool for processing. Moderate quantities of wool also have been supplied Eastern European industries by UNRRA. If sufficient experienced labor is available, and if fuel and transportation problems that have hindered output during the past year are solved, consumption in the former Allied European countries, and possibly in Italy, might possibly regain the 1934-38 level during the current season. Such a level seems reasonable, since 1934-38 activity in these countries was only about 70 percent of capacity, and plant destruction has been light. Recovery in former enemy countries will be less rapid. Destruction of plants has been greater, and financing of imports will be difficult.

Consumption in the United Kingdom will continue to increase as additional labor becomes available. During the war, use of wool for civilians averaged only about 35 percent of prewar, and need for clothing and household goods is great. In addition, the United Kingdom will seek to regain its large prewar export markets for wool manufactures. The return of workers to the wool textile industry, however, has been slow. Employment in May 1946 was about 15 percent higher than a year earlier, but was about 28 percent below that of mid-1939. Consumption of wool in the United Kingdom in the 1945-46 season probably was no more than three-fourths as large as 1934-38 average consumption.

Consumption in Canada and in Southern Hemisphere countries, which increased greatly during the war, may decline from the wartime peak, but remain above prewar.

Reduction in World Stocks Indicated for 1946-47

With a continuing high rate of consumption indicated for the United States, and a further increase in the United Kingdom and Continental Europe, world consumption of wool in 1946-47 seems likely to exceed production, and world stocks probably will be reduced for the first time since 1939 or 1940 with the possible exception of last year. The world carry-over of apparel wool at the beginning of the 1946-47 season (about July 1) is now estimated to total 5 billion pounds, grease basis (little different from a year earlier). This is more than 3 times as large as 1934-38 average stocks, and is much larger than in any previous peacetime year.

There was a considerable shift in foreign stocks from Government to private hands during 1945-46. About two-fifths of the estimated world carry-over of apparel wool were owned by the British Joint Organization this year compared with about two-thirds of the world total last year. Stocks in five Southern Hemisphere exporting countries--Australia, New Zealand, South Africa, Argentina and Uruguay--at the beginning of the 1946-47 season are indicated to total about 2.7 billion pounds, grease basis, compared with the revised estimate of 3.0 billion pounds in 1945. The 1946 stocks include a considerable quantity of wool in the British Dominions which has been sold and was awaiting shipment to Northern Hemisphere importing countries.

While the carry-over of wool in exporting countries at the beginning of the 1946-47 season will be many times larger than the prewar carry-over, only a small part of the stocks were good quality, fine grade wools. Most of the fine wools in the carry-over were Continental types, and carried considerable burr. Stocks of medium wools included a much larger percentage of average to good quality fleece wools.

Table 15.- Stocks of apparel wool in specified countries, grease basis, beginning of season, average 1934-38, annual 1945-46 1/

Country	1934-38 average:		1945	1946 Preliminary <u>2/</u>			
				Privately owned		Government owned	Total
	Mil.	lb.		Mil.	lb.	Mil.	lb.
Principal exporting countries							
Australia	97	3/1,750	4/ 502	5/1,183		1,690	
New Zealand	49	3/ 430	4/ 118	5/ 332		450	
South Africa	21	3/ 506	4/ 204	5/ 106		310	
Total British Dominions	167	3/2,686	4/ 824	5/1,626		2,450	
Argentina	37	6/ 310	6/ 240	0	6/ 240		
Uruguay	11	28	5	0	5		
Total 2 countries	48	338	245	0	245		
Total 5 So. Hem. countries	215	3,024	1,069	1,626	2,695		
Principal importing countries							
United States	314	7/ 763	432	499	331		
British owned	---	359	8/ 71	31	102		
United Kingdom	9/ 600	10/ 751	236	500	730		
Other importing countries <u>11/</u>	450	200	12/ 500	13/	12/500		
Total all countries	1,579	5,097	2,368	2,656	4,958		

Bureau of Agricultural Economics

1/ Year beginning July 1 except for South America which is for year beginning Oct. 1.2/ Estimates for Southern Hemisphere countries are based on available supplies for season and exports.3/ Consists almost entirely of wool owned by the British Govt., later transferred to the British Joint Organization (J.O.).4/ Consists largely of wool sold from J.O. stocks and awaiting shipment5/ Stocks reported by J.O. converted from bales, actual weight, to million pounds grease equivalent, by applying representative bale weights and yields of grease, scoured, and skin wools for each country.6/ Estimates of carpet wool stocks in commercial hands and on farms were deducted from total stocks to obtain estimates of apparel wool stocks. These estimates of apparel wool exclude most wool not finer than 40's. Such wool is suitable for either apparel or carpet use. At present Argentine wools grading 40s and coarser are being used largely in carpets by United States mills.7/ Includes 327 million pounds owned by CCC and 48 million owned by DSC.8/ Wool sold from British stockpile and awaiting shipment abroad.9/ Based in part on commercial estimates.10/ Includes 480 million pounds owned by the British Government.11/ 1934-38 estimate based on the assumption that stocks in principal importing countries averaged about 30 percent of annual consumption of apparel wool in those years. Estimates for 1945 and 1946 based on reported purchases, imports and other information and are only rough approximations.12/ Probably includes a small quantity of carpet wool.13/ If any, included with privately owned stocks.

Compiled from commercial sources and reliable commercial. 1934-38 stocks in Southern Hemisphere countries are mostly stocks at selling centers. United States stocks are those reported by mills and dealers and by the Government on July 1. They do not include wool on farms.

Domestic Carpet Wool Outlook

Carpet wool consumption was restricted during the war to about 40 percent of its average prewar level but it has increased so rapidly since that time, that consumption in recent months has been at near record levels. Nevertheless, carpet production is still below accumulated demand. Carpet-wool consumption for 1946 as a whole may be larger than for any previous year except possibly 1941 when it totaled 190 million pounds, grease basis. Consumption in 1947 is expected to be sustained by a high level of consumer income. Stocks of carpet wool held by dealers and mills on June 30 in this country totaled 137 million pounds compared to 67 million in 1945, the previous high for a comparable date.

Imports for consumption of duty-free wools for use as floor coverings or similar purposes during the first six months of this year totaled 147 million pounds, an amount larger than the 12 month totals for most previous calendar years. Arrivals of true carpet wool and other wools not finer than 40's (the two types of wool generally used for floor coverings) at three ports during July and August continued fully as heavy as in earlier months of the year, so that present stocks probably are even larger than on June 30. Supplies of wools not finer than 40's and of Argentine carpet wools available for export from Southern Hemisphere countries are still large. Thus sufficient supplies of carpet-type wools probably will be available during the coming year to maintain a high level of carpet wool consumption in 1947.

While the total supply of wools suitable for carpets is adequate, there does appear to be a shortage of some types, particularly those coming from India and China. These wools are used for blending purposes, and a reduction in their supply may have an adverse effect on the quality of carpets produced.

Domestic Mohair Outlook

The domestic outlook for mohair producers for 1947 appears favorable. Mohair was certified to be in short supply August 31 by the Secretary of Agriculture, and OPA has restored the dollar-and-cents ceilings on mohair sorts, noils, and tops which it established in June 1946. These ceilings were roughly 10 percent above 1941 "freeze type" maximum prices in effect prior to that time. The demand has been quite good for the fall clip with adult grades reported at 58-61 cents and kid grades at 78-80 cents. Demand is expected to remain high throughout 1947. Prior to the war about 2/3 of all mohair used in this country went into the manufacture of automotive upholstery fabrics. Car production is expected to be materially higher in 1947 than this year and may be half again as large as the 1935-39 average. Mohair is also used in many other high quality fabrics now in demand.

Mill consumption of mohair and mohair tops during the first half of 1946 has been fairly stable at the high annual rate of 24 million pounds a year. This is somewhat in excess of domestic production which has been 20-22 million pounds annually since 1939. Mill consumption in 1947 may be considerably above 1946 levels. Mohair stocks on hand June 30 in this country were quite large, totaling 15 million pounds. There is also a possibility of supplementing domestic supplies with imports. While mohair imports for the first half of 1946 were less than half a million pounds, surplus mohair stocks have been reported in both South Africa and Turkey.

Prices per pound of wool and other textile fibers, United States, 1945-46

Item	Annual average			1945		1946	
	1943	1944	1945	Aug.	June	July	Aug.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Prices received by farmers :							
grease basis 15th of month:	41.6	42.4	41.9	41.6	41.9	42.3	41.8
Boston market: 1/ :							
Territory, scoured basis - :							
64s, 70s, 80s, staple comb.:	117.8	119.0	117.7	119.0	99.5	99.5	99.5
56s combing.....:	104.2	104.5	103.5	104.5	88.5	88.5	88.5
Bright fleece, greasy - :							
64s, 70s, 80s, delaine.....:	46.9	47.0	47.0	47.5	40.0	40.0	40.0
56s combing.....:	54.2	54.5	54.0	54.5	46.5	46.5	46.5
Foreign wool, in bond: :							
Scoured basis - :							
Australian 64s, 70s good:							
top-making 2/.....:	75.9	72.1	75.2	75.5	74.5	74.5	74.5
Cape, short combing.....:	72.5	72.5	72.5	72.5	3/67.5	3/67.5	3/67.5
Grease basis - :							
Montevideo 60-64s.....:	41.4	39.4	39.6	39.5	41.5	41.5	41.5
Montevideo 1s (56s).....:	41.4	40.7	42.2	42.0	42.5	42.5	42.5
Other textile fibers: :							
Cotton, 15/16-inch :							
Middling 4/.....:	20.6	21.2	22.6	22.4	29.2	33.4	35.5
Rayon staple fiber 5/ :							
Viscose 1-1/2 denier.....:	24.4	24.8	25.0	25.0	25.0	25.0	25.0
Acetate 5 denier.....:	43.0	41.9	38.0	38.0	38.0	38.0	38.0

Domestic wool prices are from the Production and Marketing Administration: foreign wool prices are from the Boston Commercial Bulletin except as noted, and are before payment of duty.

1/ Domestic wool prices based on CCC selling prices, 1944 to date. 2/ Quotations from the Production and Marketing Administration. 3/ New series beginning 1946 prices are for Cape 10-12 months superior spinners style, and are not strictly comparable with earlier data. 4/ Average at 10 markets. 5/ F.o.b. producing plants, Bureau of Labor Statistics.

Wool: Mill consumption in the United States, 1944-46

Item	Total		Weekly averages				
	1944	1945	Jan.-June 1945		June 1945 1/	May 1946 1/	June 1946 1/
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Grease basis:	pounds	pounds	pounds	pounds	pounds	pounds	pounds
Apparel wool :							
Domestic... :	318,595	251,735	7,505	3,389	7,035	4,040	4,383
Foreign.... :	690,364	761,046	14,915	16,965	15,237	16,547	16,949
Total.... :	1,008,959	1,012,781	22,420	20,354	22,272	20,587	21,332
Carpet wool... :	61,166	76,087	1,066	3,332	1,015	3,387	3,600
Scoured basis :							
Apparel wool :							
Domestic... :	150,861	120,357	3,570	1,622	3,326	1,928	2,091
Foreign.... :	426,152	468,891	9,248	10,367	9,538	10,135	10,338
Total.... :	577,013	589,248	12,818	11,989	12,864	12,063	12,429
Carpet wool... :	45,757	55,885	781	2,371	745	2,394	2,562

Compiled from reports of the Bureau of the Census.

1/ 4- week period.

Livestock prices per 100 pounds (except where noted), marketings and slaughter statistics, by species, August 1946, with comparisons

		PRICES						
Item		Annual	January - August: 1945:		1946			
		:Av. 1937-41:	1945:	1945:	1946	August: July	August	
		:Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	
Cattle and calves								
Beef steers sold out of first hands, Chicago:								
Choice and prime	12.01	17.30	16.99	19.02	17.25	22.65	24.63	
Good	10.52	16.00	15.90	17.48	15.98	19.86	20.73	
Medium	8.94	14.12	14.17	15.65	13.38	17.09	16.60	
Common	7.59	11.73	11.98	13.21	11.23	14.73	13.65	
All grades	10.47	15.18	15.95	17.82	16.42	21.36	21.71	
Good, grade cows, Chicago	7.38	14.01	14.23	14.44	13.31	15.35	14.50	
Vealers: Gd. and ch., Chicago ..	10.34	15.12	15.42	15.90	14.72	17.97	16.33	
Stocker and feeder steers,								
Kansas City	8.36	13.07	13.44	15.24	13.03	15.53	15.51	
Av. price rec'd by Farmers:								
Beef cattle	7.41	12.10	12.55	14.09	12.40	16.60	17.00	
Veal calves	8.72	13.20	13.58	14.74	13.30	16.60	16.20	
Hogs								
Av. market price, Chicago:								
Barrows and gilts	-	14.75	14.75	16.14	14.75	18.12	21.93	
Sows	-	13.99	14.00	15.27	14.00	17.67	19.98	
All purchases	7.97	14.66	14.65	15.93	14.51	17.94	20.84	
Av. price rec'd by farmers for:								
hogs	7.59	14.00	14.02	15.38	14.00	16.80	20.90	
Av. price rec'd by farmers for:								
corn 1/	62.9	109.7	108.9	138.0	113.0	196.0	180.0	
Hog-corn price ratio, U. S. 2/	12.8	12.8	12.9	11.4	12.4	8.6	11.6	
Sheep and Lambs								
Lambs, gd. and ch., Chicago	9.82	15.48	15.90	16.98	14.32	20.07	20.06	
Feeding lambs, gd. & ch., Omaha:	6.70	12.70	13.85	15.43	14.53	16.33	16.53	
Ewes, gd. and ch., Chicago	4.43	7.69	8.34	8.06	6.82	9.15	7.09	
Av. price rec'd by farmers:								
Sheep	4.20	6.35	6.73	7.08	6.39	8.24	7.19	
Lambs	8.28	13.00	13.42	14.31	12.90	15.90	16.30	
BLS index retail meat prices 5/:		100.9	131.1	131.1	144.3	131.6	173.7	
Index income of industrial								
workers 6/	120.4	285.7	314.2	-	269.1	263.1	-	
Number slaughtered under Federal inspection and market statistics								
	:Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	Thous.	
Cattle	9,999	14,538	9,071	7,251	1,292	1,239	1,240	
Calves	5,571	7,020	4,147	3,569	603	542	534	
Sheep and lambs	17,609	21,220	13,966	13,718	1,562	1,738	1,578	
Hogs	41,223	40,960	26,822	30,274	2,203	3,863	2,843	
Av. live weight of hogs:								
7 markets	-lb.-	-lb.-	-lb.-	-lb.-	-lb.-	-lb.-	-lb.-	
Percent packing sows are of	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	
all purchases, 7 markets	-	9	8	13	26	35	42	

1/ Cents per bushel 2/ Number of bushels of corn equivalent in value of 100 pounds of live hogs. 3/ Average of prices for Jan., Feb., Mar., Apr., and Aug. 4/ Average of weeks ending July 26 and August 3. 5/ Meats, poultry and fish: Bureau of Labor Statistics, 1935-39=100. 6/ 1935-39=100.